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C O N F I D E N T I A L SECTION 01 OF 02 BEIRUT 002091

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TAGS: [ECON](#) [EINV](#) [ETRD](#) [KIPR](#) [LE](#)  
SUBJECT: MGLE01: ECONOMY AND TRADE MINISTER HADDAD  
DISCUSSES TRADE AND IPR ISSUES

REF: A. A) BEIRUT 1392  
[B. B\) BEIRUT 1824](#)

Classified By: Ambassador Jeffrey Feltman. Reason: Sections 1.4 (b) and (d).

[1](#)1. (C) Summary. On June 20, the Ambassador and Econ/Commercial Officer met Minister of Economy and Trade (MOET) Sami Haddad to discuss trade and intellectual property rights (IPR) issues. The Ambassador told Haddad that he would like to see a Trade and Investment Framework Agreement (TIFA) signed during the Made in America trade fair in September. But action rests with the MOET responding to the draft that USTR had provided to Haddad. Haddad told the Ambassador that the GOL had made progress on trade, investment, and cable piracy, but more work needed to be done on pharmaceutical IPR issues. Haddad will lead a delegation of businessmen to the U.S.-Arab Economic Forum in Houston June 27-29. Haddad was upbeat about progress on WTO-accession issues and promised that a new Director General (DG) at the MOET would be named soon. End Summary.

TIFA--MOVING FORWARD  
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[1](#)2. (C) The Ambassador told Haddad that he wanted to follow-up on earlier discussions that the GOL had in April with Shaun Donnelly, the Assistant U.S. Trade Representative (USTR) for Europe and the Middle East. The Ambassador said that his goal, if it was possible, was a TIFA signing between the GOL and USG during the Made in America trade fair September 19-21. He told Haddad that the next step in the TIFA process was for the GOL to convey to USTR its comments of a draft TIFA proposal. The Ambassador then told Haddad that the USG would use the opportunity of the GOL's draft comments to help arrange for the timing of a future USTR visit to talk about the TIFA. Haddad told the Ambassador that the MOET's comments were ready, but they would need to be vetted by the Ministry of Foreign Affairs (MFA) and the Ministry of Finance before they could be sent to USTR. He said the comments would be ready by Friday, June 23. (Note: Indeed, the comments did arrive and are being provided to USTR, the lead on the TIFA, separately. End note.)

[1](#)3. (C) When the Ambassador asked Haddad about the TIFA ratification process from the GOL's side, Haddad stated that the Council of Ministers would need to pre-approve a TIFA before it could be signed; after the signing, the Council of Ministers would then approve the TIFA accord. Parliament would follow with ratification of the accord. Questioning

the parliamentary action, the Ambassador noted that the agreement was not a treaty, but Haddad was certain parliamentary action would be required (although not for the signing itself). When the Ambassador asked if he should lobby the MFA on TIFA, Haddad told him that he should "feel free" to raise the issue, but he did not foresee any domestic opposition or anything else controversial about a TIFA.

CONCERN OVER GOL COMMITMENT  
TO PHARMACEUTICAL IPR ISSUES  
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14. (C) Haddad told the Ambassador that he would be meeting with the Minister of Health (MOH) on June 23 to discuss IPR issues concerning pharmaceutical firms. The Ambassador expressed concern that the GOL had not responded to a May 11 letter from the Ambassador, French Ambassador Emie, and EU Representative Renauld outlining possible discussion topics for the joint GOL-Embassy taskforce that PM Siniora proposed on May 3 (RefA). Haddad told the Ambassador that progress was being made at the MOET on TIFA, Motorola (NOTE: Motorola is currently talking with the MOET about removing its name from the Arab boycott list in Lebanon. END NOTE.), and cable piracy, but he encouraged the Ambassador to lobby other parts of the GOL to achieve progress on resolving pharmaceutical IPR problems.

RECENT SUCCESS  
ON CABLE PIRACY  
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15. (C) According to Haddad, major progress has been made in recent days on cable piracy. The World Cup soccer tournament

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in Germany has provided a platform for Telecommunications Minister Hamadeh and Information Minister Aridi to talk about regulating the cable sector and make sure all game broadcasts conform to the Copyright Law. On June 5, Aridi announced that television station ART, the exclusive broadcast rights holder for the World Cup in Lebanon, agreed not to block other cable operators from broadcasting soccer games in return for USD 500,000 (RefB). The agreement forbids cable operators from charging end-users additional fees.

16. (C) The GOL has also announced plans to regulate a cable market of 650 operators who broadcast unauthorized domestic and foreign terrestrial and satellite programming. The ministers are currently working on taking a draft law to Cabinet concerning cable piracy. The interim law would not allow any cable operator into the marketplace if they did not submit permits for re-transmission from the corporate rights holders of the programming. When the Ambassador asked Haddad who he should be lobbying with regards to cable piracy, Haddad said the Ambassador should talk to Hamadeh, Aridi, and PM Siniora.

HADDAD WILL BE  
TRAVELING TO HOUSTON  
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17. (C) Haddad told the Ambassador that he would be traveling to the U.S.-Arab Economic Forum June 27-29 with a group of business leaders that would include Ghazi Koraytem, President of the Beirut Chamber of Commerce; Richard Haykal, Vice President of the American Lebanese Chamber of Commerce; and Abdo Jeffi, Deputy Chairman of Audi-Saradar Bank. He said that no other ministers would travel to Houston.

WTO ACCESSION LAWS  
MOVING FORWARD  
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18. (C) Haddad said that progress was being made at moving forward WTO accession legislation. The Law on Anti-dumping, Countervailing, and Safeguard Measures has already cleared

Parliament and four other laws (the International Trade and Licensing Law, the Law on Food Safety, the Law on Animal Quarantine, and the Law on Plant Quarantine) are in various stages of the parliamentary process. Haddad said that a sixth Law on Standards, Technical Regulation, and Conformity Assessment would need to be reworked because it was not well prepared by the Ministry of Industry.

¶9. (C) Haddad told the Ambassador that consumer protection issues are currently handled by three ministries--the MOET, the MOH, and the Ministry of Tourism. Haddad would like to see greater coordination among the ministries. He said that in order to ensure consumer protection was adequately handled he would need to hire additional employees and have a bigger unit. He said that Lebanon has a long way to go before it could have an agency similar to the Consumer Protection Agency in the U.S. He said that the MOET is looking into financial incentive schemes for civil servants who provide information on consumer protection problems.

NEW DIRECTOR GENERAL SOON  
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¶10. (C) The MOET is almost ready to name a new DG, according to Haddad. Two names have been submitted to the Cabinet for approval--Alia Moubayed, who currently works at the World Bank, and Ahmad Nasser, the Head of Enforcement and Anti-Smuggling at Customs. Maintaining the confessional status quo, both candidates are Shia (as was Fadi Makki, who previously held the position). The process of hiring a new DG has been delayed, according to Haddad, for two reasons: (1) a member of the Civil Service Board must attend all of the committee meetings to discuss a new DG and the scheduling has been difficult, and (2) the need to balance confessions in the hiring process.  
FELTMAN